

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**SPECIAL SESSION
January 25, 2008**

The Board of Supervisors of Maricopa County, Phoenix, Arizona, convened in Special Session at 1:25 p.m., January 25, 2008, in the Tom Sullivan Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Andrew Kunasek, Chairman, District 3. Present via phone: Max W. Wilson, Vice Chairman, District 4; Fulton Brock, District 1; Don Stapley, District 2 (entered telephonically at 1:40 p.m.). Absent: Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Minutes Coordinator; David Smith, County Manager and Chris Keller, Chief Counsel, Civil Division. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

EXECUTIVE SESSION CALLED

Pursuant to A.R.S. §38-431.03, et.al., motion was made by Supervisor Wilson, seconded by Supervisor Brock, and unanimously carried (3-0-2) to recess and reconvene in Executive Session for the purpose of obtaining legal advice from the Board's attorney in reviewing matters listed below, pursuant to the listed statutory references. All members remained in session when the meeting reconvened.

E-1. LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO NEGOTIATION – A.R.S. §38-431.03(A)(3) and (A)(4)

Discussion and legal advice concerning change of trust agreement from Frontier Trust Company To Nationwide Trust Company, FSB, effective January 28, 2008, for deferred compensation plan investors' assets.

Chris Keller, Chief Counsel
Andrea Cummings, Deputy County Attorney
Marvin Swift, Outside Counsel
Sandi Wilson, Deputy County Manager
Rich Vanderheiden, Public Fiduciary, Deferred Compensation Committee Chair
Peter Crowley, Risk Manager, Deferred Compensation Committee member
Elizabeth Yaquinto, Director, Workforce Management and Development, Deferred Compensation Committee member
Eric Latto, Chief of Staff, Deferred Compensation Committee member, **did not attend**
Shelby Scharbach, Finance, Deputy Chief Financial Officer
Jim Bloom, District 3, Chief of Staff

RECONVENE OPEN SESSION

Chairman Kunasek reconvened open session at 1:45 p.m.

1. CONTRACT WITH NATIONWIDE TRUST COMPANY

Item: Approve a contract for deferred compensation trust with Nationwide Trust Company, as discussed in Executive Session. Fran McCarroll clarified that this action included the 1) Nationwide Trust company, FSB 457 Trust Agreement; 2) Morley Stable Value Retirement Fund Participation Application – Deferred Compensation; and 3) Life Insurance Custodianship document.

Supervisor Brock asked about the short notice of this change of trustee from Frontier Trust Company to Nationwide Trust Company. He did not feel comfortable in designating a new trust and trustee without sufficient time to learn about the company and their practices. In addition, he

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said he had reservations about using Nationwide and asked if there was a local company who could handle the trust.

Chairman Kunasek said it was unfortunate but there was bad communication involved that resulted in the late notification and need for a fast turn-around.

Supervisor Stapley explained that Nationwide claims they noticed the County in a timely manner but no one at the County has that notice and we must have a trustee in place for the transfer of funds and to protect investors by January 28, which is Monday. He said, "This isn't about Nationwide. Frontier Trust is going out of business and we must take action to make a change today."

Chris Keller explained that it would be a 90-day notice contract and could be changed from Nationwide if there was dissatisfaction. He added that Nationwide has been fully cooperative with all the changes the County has asked for.

Motion was made by Supervisor Wilson and seconded by Supervisor Stapley, to approve a contract for deferred compensation trust with Nationwide Trust Company including the 1) Nationwide Trust company, FSB 457 Trust Agreement; 2) Morley Stable Value Retirement Fund Participation Application – Deferred Compensation; and 3) Life Insurance Custodianship document. Motion carried by a majority vote (3-1-1), with Supervisors Wilson, Stapley and Kunasek voting "aye" and Supervisor Brock voting "nay."

MEETING ADJOURNED

There being no further business to come before the Board, the meeting was adjourned at 1:55 p.m.

Andrew Kunasek, Chairman of the Board

ATTEST:

Fran McCarroll, Clerk of the Board